

3 December 1957

25X1A9a

MEMORANDUM FOR: Mr. [REDACTED]

SUBJECT: Projected Reconstruction and Expansion of
Peking-Tientsin Canal in Communist China.

Some plans extending through the period of the Third Five Year Plan (1963-67) have been drawn up in the fields of agriculture and water conservancy. In respect to canal construction, however, no available evidence indicates a long-range plan to reconstruct and expand the Peking-Tientsin Canal so that it could accommodate vessels of 10,000 tons deadweight (roughly equivalent to 7,000 gross registered tons).

Press reports indicate that there is a plan under consideration to reconstruct the existing Peking-Tientsin Canal so as to accommodate vessels of up to 3,000 tons (presumably gross registered tons). Since the canal at present is navigable only by junks with up to a 2-foot draft, an extensive amount of reconstruction will be necessary before it can accommodate vessels of even this tonnage. The diversion of water from the Yangting River into the Peking-Tientsin Canal through the recently completed (April, 1957) Yangting Canal may relieve the age-old problems of water shortage in the existing canal somewhat -- although its primary purpose is to increase the water supply to Peking.

The statement by the Chinese Communist official at this time appears to be overly-ambitious. To reconstruct the canal between Peking and Tientsin for vessels of the weight noted would involve considerable expenditure not only for this section of the Grand Canal but also for the section of the Hai River between Tientsin and Taku-Hsinking. Even if funds for the initial construction were made available, the continuous maintenance involved in battling the silt problem would represent substantial additional investment. Unless Peking becomes more of a commercial center than it is at present, the investment would not be economically justified. Too many vitally-needed projects are presently competing for investment (the Hai River water conservancy project is the most obvious example) and it is doubtful that the Chinese Communists will put much effort or money into a canal project with such little immediate justification as the Peking-Tientsin Canal.

25X1A9a

Distribution:

- Orig. & 1 - Addressee
- 1 - SA/RR
- 1 - St/PR

- 1 - D/S
- 2 - S/CST